

ORANGE COUNTY ECONOMIC FORECAST

Orange County has a population of 3.2 million people and is the third largest county in California, behind neighboring Los Angeles and San Diego counties. There are approximately 1.6 million wage and salary jobs located in Orange County. The per capita income is \$61,456, and the average salary per worker is \$71,519.

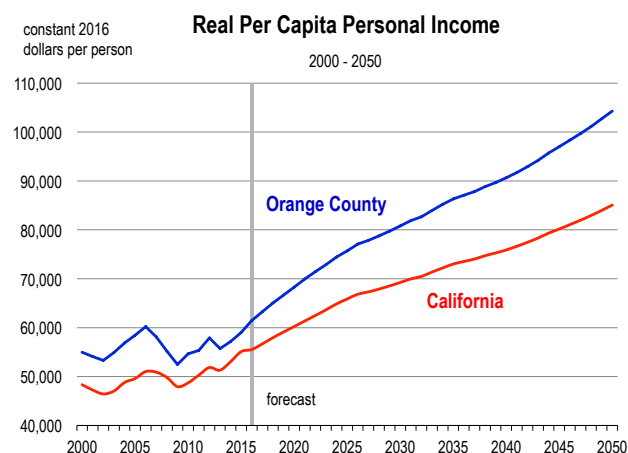
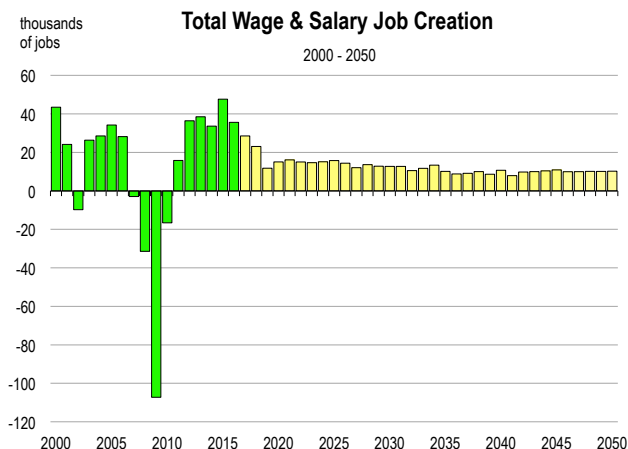
Across Southern California, employment increased by 2.5 percent in 2016. In Orange County, 35,700 jobs were gained, representing a growth rate of 2.3 percent. The unemployment rate in Orange County improved from 4.5 percent in 2015 to 4.0 percent in 2016.

During 2016, the largest employment gains were observed in professional and business services (+9,600 jobs), leisure and hospitality (+8,000 jobs), and construction (+5,200 jobs). The largest losses were manufacturing (-580 jobs).

Between 2011 and 2016, the Orange County population grew at an annual average rate of 0.9 percent. A substantial portion of this growth was due to net migration, as a strong professional job market drew people to the region.

FORECAST HIGHLIGHTS

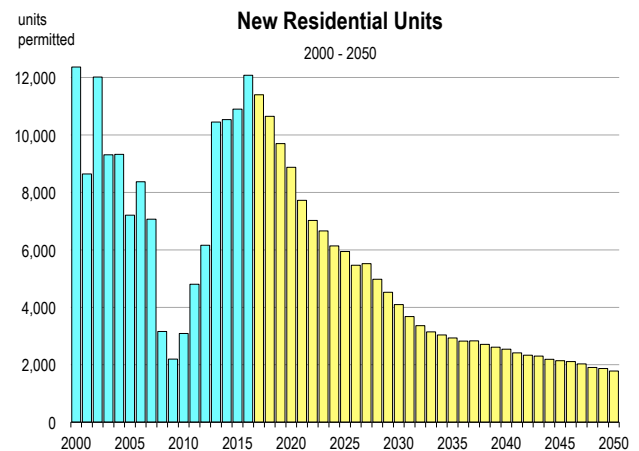
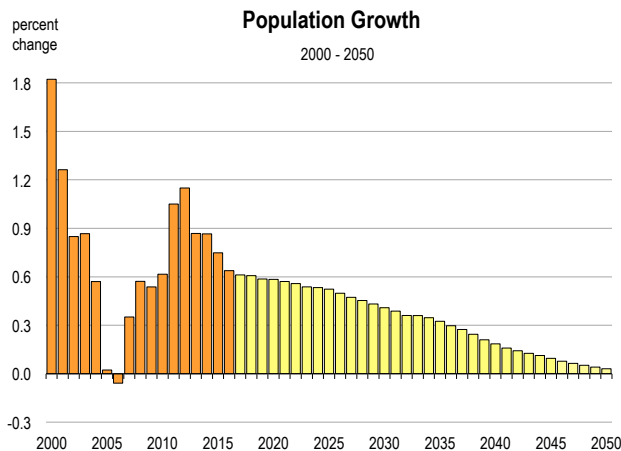
- In 2017, total wage and salary employment will increase by 1.8 percent. Between 2017 and 2022, employment growth is expected to average 1.0 percent per year.
- Average salaries are slightly below the California State average. Over the 2017-2022 period, average salaries in Orange County will increase by 2.3 percent per year.
- The professional services sector will remain a primary driver of growth in the Orange County labor market, adding 25,300 jobs between 2017 and 2022. Other industries with strong growth will be leisure and hospitality (+16,900 jobs), wholesale and retail trade (+12,100 jobs), and health and education (+11,500 jobs).
- Population growth will decelerate, averaging 0.6 percent annually through 2022. Net migration will be low, with an average of just 2,700 net migrants entering the county each year.
- Between 2017 and 2022, an average of 8,900 housing permits will be issued each year. The most prominent regions for new housing development will be Mission Viejo and Irvine.
- Personal income per capita, adjusted for inflation, is expected to increase by 2.9 percent in 2017. Over the 2017-2022 period, income per capita will rise by an average of 2.5 percent per year.
- Total taxable sales, adjusted for inflation, will increase by 1.8 percent per year between 2017 and 2022.
- Industrial production will rise by 3.3 percent in 2017, and will grow at an average annual rate of 1.7 percent per year between 2017 and 2022.



Orange County Economic Forecast

2010-2016 History, 2017-2050 Forecast

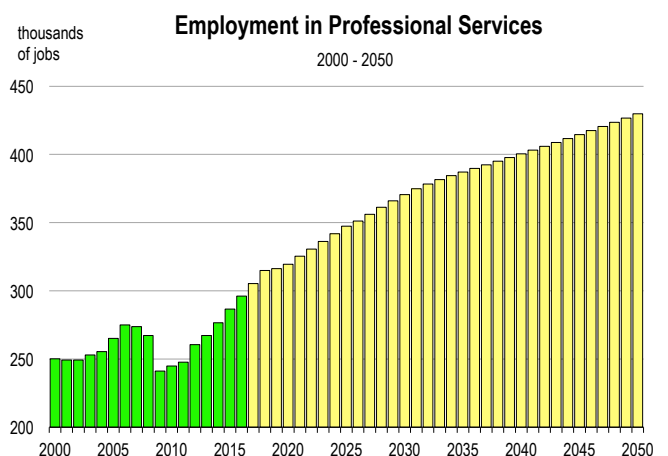
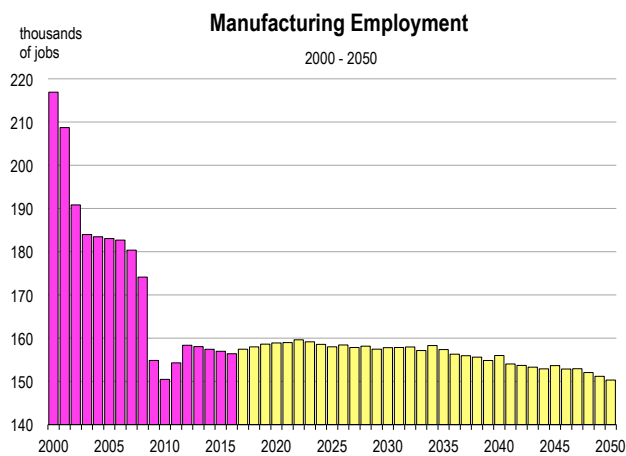
	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2010	3,017,299	-4,134	2.52	990.1	3,091	\$47.7	\$149.5	\$54,664	1.2	165.9	33.4	9.7
2011	3,048,993	11,096	2.52	994.1	4,807	\$51.7	\$157.0	\$55,347	2.7	156.8	33.4	9.0
2012	3,084,036	15,002	2.54	998.2	6,163	\$55.2	\$169.6	\$57,913	2.0	143.6	35.5	7.9
2013	3,110,802	7,930	2.62	1,004.7	10,453	\$57.6	\$166.4	\$55,724	1.1	142.8	36.4	6.6
2014	3,137,744	7,489	2.72	1,011.9	10,533	\$60.1	\$174.5	\$57,159	1.4	136.0	37.0	5.5
2015	3,161,218	3,917	2.78	1,018.7	10,897	\$61.4	\$183.1	\$58,997	0.9	127.8	37.7	4.5
2016	3,181,371	2,578	2.86	1,024.9	12,083	\$63.2	\$195.5	\$61,456	1.9	123.0	38.5	4.0
2017	3,200,827	2,551	2.89	1,032.3	11,400	\$65.8	\$207.6	\$63,259	2.5	117.7	39.8	3.8
2018	3,220,256	2,791	2.91	1,042.7	10,650	\$69.1	\$220.4	\$65,031	2.7	112.5	40.3	3.7
2019	3,239,138	2,474	2.93	1,052.4	9,700	\$72.5	\$233.6	\$66,674	2.8	107.4	41.0	3.9
2020	3,258,056	2,830	2.95	1,061.3	8,875	\$75.8	\$247.7	\$68,301	2.9	101.5	41.7	3.9
2021	3,276,653	2,786	2.97	1,069.4	7,725	\$79.2	\$262.2	\$69,942	2.8	95.7	42.4	4.0
2022	3,294,935	2,735	2.99	1,076.4	7,025	\$82.6	\$277.3	\$71,418	3.0	90.5	43.3	4.0
2023	3,312,647	2,467	3.01	1,082.8	6,660	\$86.0	\$292.0	\$72,886	2.6	85.2	44.2	4.0
2024	3,330,307	2,751	3.03	1,088.9	6,138	\$89.7	\$307.3	\$74,444	2.5	79.5	44.9	3.9
2025	3,347,741	2,938	3.05	1,094.5	5,943	\$93.8	\$321.7	\$75,716	2.4	74.3	45.5	3.8
2026	3,364,418	2,617	3.06	1,099.9	5,465	\$97.7	\$336.8	\$77,091	2.3	69.1	46.2	3.8
2027	3,380,327	2,376	3.08	1,104.9	5,520	\$101.1	\$350.2	\$77,836	2.5	63.9	46.9	3.7
2028	3,395,645	2,317	3.10	1,109.9	4,977	\$105.2	\$365.5	\$78,756	2.7	58.5	48.0	3.8
2029	3,410,303	2,163	3.11	1,114.4	4,524	\$109.2	\$380.3	\$79,755	2.3	53.2	48.9	3.9
2030	3,424,234	1,961	3.13	1,118.6	4,095	\$113.5	\$394.9	\$80,790	2.1	48.1	50.1	3.9
2031	3,437,504	1,777	3.14	1,122.3	3,678	\$118.4	\$409.9	\$81,887	2.0	43.1	51.2	4.0
2032	3,449,897	1,331	3.16	1,125.7	3,361	\$123.4	\$423.9	\$82,655	2.1	38.4	52.3	4.0
2033	3,462,315	1,825	3.17	1,128.7	3,145	\$129.3	\$441.6	\$83,949	2.2	33.9	53.3	4.0
2034	3,474,316	2,022	3.18	1,131.6	3,038	\$135.0	\$460.1	\$85,192	2.3	29.6	54.8	4.1
2035	3,485,593	1,947	3.20	1,134.4	2,933	\$140.7	\$479.0	\$86,337	2.4	25.4	55.7	4.0
2036	3,495,946	1,688	3.21	1,137.0	2,824	\$145.6	\$495.7	\$87,075	2.3	21.5	56.7	4.0
2037	3,505,520	1,622	3.22	1,139.6	2,832	\$150.1	\$512.2	\$87,810	2.2	17.8	57.8	4.0
2038	3,514,082	1,303	3.23	1,142.2	2,710	\$154.8	\$530.3	\$88,822	2.1	14.3	59.0	4.0
2039	3,521,463	793	3.24	1,144.7	2,612	\$159.1	\$547.7	\$89,655	2.1	10.9	60.1	4.0
2040	3,527,975	554	3.25	1,147.0	2,542	\$163.9	\$567.6	\$90,625	2.3	9.8	61.8	3.9
2041	3,533,583	219	3.26	1,149.4	2,414	\$169.3	\$589.4	\$91,699	2.5	8.8	62.6	3.9
2042	3,538,607	170	3.27	1,151.6	2,333	\$174.7	\$611.7	\$92,903	2.3	7.9	63.9	3.9
2043	3,543,075	94	3.28	1,153.7	2,302	\$180.2	\$635.3	\$94,201	2.3	7.1	65.2	4.0
2044	3,547,072	69	3.29	1,155.8	2,190	\$186.1	\$660.3	\$95,691	2.2	6.4	66.6	4.0
2045	3,550,451	-108	3.30	1,157.8	2,141	\$191.3	\$683.9	\$96,987	2.1	5.8	68.3	4.1
2046	3,553,201	-347	3.30	1,159.7	2,111	\$197.1	\$709.2	\$98,332	2.2	5.2	69.6	4.1
2047	3,555,479	-506	3.31	1,161.7	2,030	\$203.2	\$736.1	\$99,693	2.3	4.7	71.2	4.1
2048	3,557,337	-616	3.32	1,163.5	1,906	\$209.5	\$764.0	\$101,143	2.3	4.2	72.5	4.1
2049	3,558,798	-718	3.33	1,165.2	1,869	\$216.3	\$794.5	\$102,678	2.4	3.8	73.8	4.2
2050	3,559,893	-793	3.34	1,166.9	1,782	\$223.4	\$827.1	\$104,297	2.5	3.4	75.2	4.2

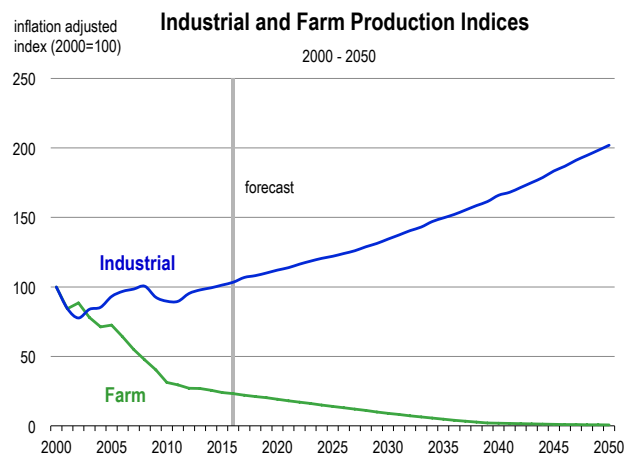
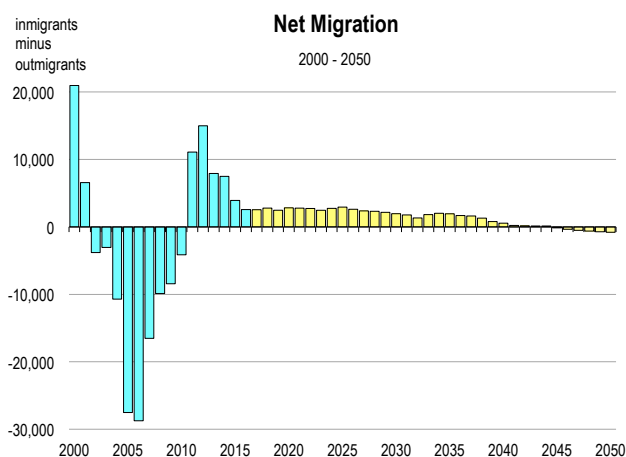
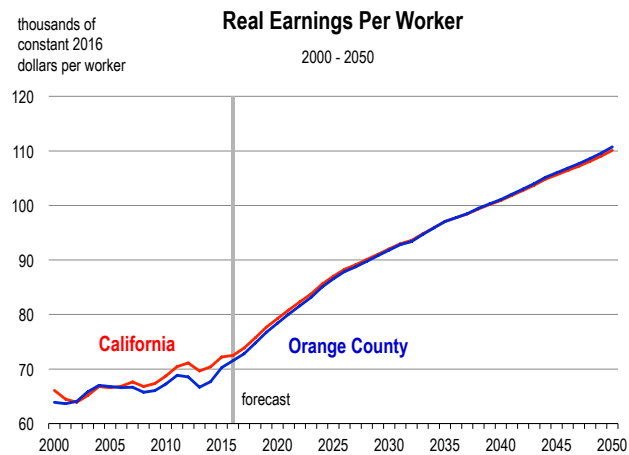
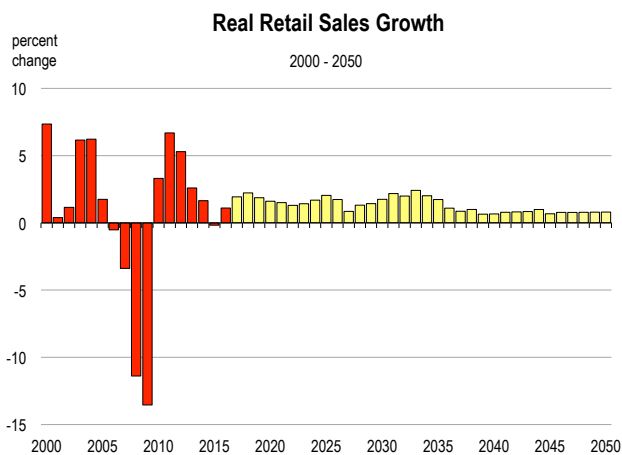


Orange County Employment Forecast

2010-2016 History, 2017-2050 Forecast

	Total Wage & Salary	Farm	Construction	Manufac- turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	employment (thousands of jobs)-----											
2010	1,374.9	3.73	68.9	150.5	26.7	219.1	103.5	244.9	24.8	169.1	168.6	152.3
2011	1,390.7	3.22	70.3	154.3	27.5	219.9	104.8	247.7	23.8	172.0	174.0	149.3
2012	1,427.1	2.80	72.9	158.3	28.0	221.2	108.3	260.6	24.3	177.0	180.6	147.9
2013	1,465.7	2.91	78.4	158.0	27.5	224.9	113.1	267.3	25.0	186.0	187.8	148.7
2014	1,499.3	2.75	83.1	157.4	26.5	229.3	113.6	276.6	24.5	190.8	194.5	152.2
2015	1,546.9	2.44	91.7	157.0	26.9	232.2	116.1	286.6	25.5	198.8	203.8	156.4
2016	1,582.6	2.78	96.9	156.4	27.6	233.0	117.4	296.2	26.0	203.7	211.8	160.1
2017	1,611.2	2.73	100.1	157.5	28.5	236.4	119.2	305.3	26.6	208.1	215.4	160.6
2018	1,634.3	2.68	102.6	158.0	29.6	240.6	118.0	314.9	27.0	210.1	219.2	160.2
2019	1,646.1	2.63	102.8	158.6	30.1	243.1	118.4	316.3	27.4	212.4	222.6	160.1
2020	1,661.1	2.58	103.4	158.9	30.5	245.1	119.5	319.5	27.8	214.8	225.9	161.2
2021	1,677.3	2.53	103.9	159.0	30.9	247.0	120.4	325.4	28.2	217.1	229.1	161.4
2022	1,692.3	2.48	102.8	159.6	31.1	248.5	122.3	330.6	28.6	219.6	232.3	161.6
2023	1,707.0	2.44	102.0	159.2	31.4	250.1	123.8	336.2	28.9	222.3	235.4	161.9
2024	1,722.1	2.39	101.2	158.6	31.6	251.8	125.4	341.9	29.3	225.2	238.7	162.3
2025	1,737.9	2.34	101.0	158.0	31.9	253.8	127.1	347.4	29.8	228.2	241.4	163.0
2026	1,752.3	2.29	100.8	158.4	32.1	255.4	128.9	351.2	30.3	230.8	243.9	163.7
2027	1,764.3	2.25	99.7	157.8	32.3	256.3	131.5	356.1	30.6	233.7	245.1	164.1
2028	1,778.0	2.20	98.8	158.2	32.5	257.7	133.3	361.3	30.8	236.6	246.6	164.6
2029	1,790.8	2.15	98.0	157.5	32.7	259.2	135.4	366.0	31.1	239.5	248.3	165.3
2030	1,803.6	2.11	96.4	157.8	32.9	261.0	136.7	370.5	31.4	242.6	250.0	166.0
2031	1,816.3	2.06	95.0	157.8	33.0	263.0	138.0	374.9	31.7	245.7	251.8	166.7
2032	1,826.9	2.02	93.6	158.0	33.2	264.9	138.8	378.3	32.0	248.7	253.1	167.2
2033	1,838.6	1.98	92.3	157.1	33.4	267.1	140.3	381.6	32.3	251.7	255.3	168.1
2034	1,852.0	1.94	91.1	158.3	33.5	269.0	142.3	384.5	32.6	254.7	257.3	168.8
2035	1,862.1	1.90	89.9	157.4	33.7	270.6	143.9	387.1	32.8	257.8	259.2	169.5
2036	1,871.0	1.86	88.8	156.3	33.9	271.7	145.8	389.8	33.1	260.8	260.4	169.8
2037	1,880.1	1.82	87.6	155.9	34.1	272.6	147.6	392.4	33.4	263.9	261.6	170.1
2038	1,890.1	1.79	86.4	155.6	34.2	273.6	149.6	395.1	33.7	267.0	263.2	170.5
2039	1,898.8	1.75	85.2	154.8	34.4	274.4	151.4	397.7	34.0	270.0	264.5	170.7
2040	1,909.5	1.72	83.9	156.0	34.5	275.1	153.3	400.4	34.2	273.1	265.9	171.0
2041	1,917.5	1.69	82.7	154.0	34.6	275.9	154.9	403.2	34.5	276.2	267.6	171.4
2042	1,927.3	1.66	81.4	153.7	34.7	276.7	156.5	406.0	34.8	279.3	269.5	171.9
2043	1,937.3	1.64	80.2	153.3	34.9	277.6	158.2	408.8	35.1	282.4	271.4	172.4
2044	1,947.7	1.61	78.8	152.9	35.1	278.6	159.6	411.6	35.3	285.5	273.6	173.1
2045	1,958.6	1.59	77.4	153.7	35.2	279.3	161.4	414.6	35.6	288.6	275.4	173.6
2046	1,968.6	1.58	76.1	152.9	35.3	280.1	163.4	417.5	35.8	291.8	277.4	174.1
2047	1,978.6	1.56	74.7	152.9	35.4	280.8	164.6	420.5	36.1	295.0	279.3	174.7
2048	1,988.8	1.55	73.2	152.1	35.4	281.5	166.7	423.6	36.4	298.2	281.3	175.3
2049	1,998.9	1.55	71.8	151.2	35.5	282.2	168.6	426.7	36.6	301.5	283.5	175.8
2050	2,009.1	1.56	70.3	150.3	35.6	283.0	170.5	429.8	36.9	304.8	285.7	176.4





County Economic and Demographic Indicators

Projected Economic Growth (2017-2022)

Expected retail sales growth:	8.9%
Expected job growth:	5.0%
Fastest growing jobs sector:	Transportation & Utilities
Expected personal income growth:	16.2%

Expected population growth:	2.9%
Net migration to account for:	14.5%
Expected growth in number of vehicles:	3.5%

Demographics (2017)

Unemployment rate (April 2017):	3.3%
County rank* in California (58 counties):	6th
Working age (16-64) population:	66.3%

Population with B.A. or higher:	37.5%
Median home selling price (2016):	\$645,000
Median household income:	\$80,283

Quality of Life

Violent crime rate (2015):	227 per 100,000 persons
County rank * in California (58 counties):	11th
Average commute time to work (2017):	30 minutes

High school drop out rate (2016):	5.4%
Households at/below poverty line (2017):	9.2%

* The county ranked 1st corresponds to the lowest rate in California